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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

FEDERAL COMMUNICATIONS COMMISSION  
**IRMA** THE SECRETARY

**In the matter of**

**Application of BellSouth Corporation, )  
BellSouth Telecommunications, Inc., and )  
BellSouth Long Distance, Inc., for Provision )  
of In-Region, InterLATA Service in the )  
State of South Carolina )**

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**CC Docket  
No. 97-208**

**COMMENTS OF AT&T CORP.  
IN OPPOSITION TO BELL SOUTH'S  
SECTION 271 APPLICATION**

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**APPENDIX - VOLUME V**

**ATTACHMENTS 44-54 TO THE AFFIDAVIT OF  
JAY M. BRADBURY**

**and**

**AFFIDAVIT OF JIM CARROLL**

**APPENDIX TO COMMENTS OF AT&T CORP.  
IN OPPOSITION TO BELLSOUTH'S  
SECTION 271 APPLICATION**

<b>TAB</b>	<b>AFFIDAVIT</b>	<b>SUBJECT(S) COVERED</b>
A	William J. Baumol	Public Interest
B	Robert H. Bork	Public Interest
C	Jay M. Bradbury	Operations Support Systems
D	James Carroll	AT&T Market Entry
E	Ray Crafton	Unbundled Network Elements: Combinations
F	R. Glenn Hubbard and William H. Lehr	Public Interest
G	Patricia A. McFarland	Resale Pricing and Restrictions
H	Patricia A. McFarland	Section 272 compliance
I	Kenneth P. McNeely	SCPSC Proceedings
J	C. Michael Pfau	Operations Support Systems: Performance Measurements
K	James A. Tamplin, Jr.	Unbundled Network Elements
L	Don J. Wood	Unbundled Network Elements: Pricing

# ATTACHMENT 44

**ANALYSIS CONDUCTED FOR  
BELLSOUTH - LCSC  
ATLANTA, GA - BIRMINGHAM, AL  
MARCH 3, 1997 - MARCH 13, 1997**

**002767**

## **TABLE OF CONTENTS**

- I. LETTER OF ENGAGEMENT**
- II. FINANCIAL HIGHLIGHTS**
- III. SUMMARY OF ANALYSIS FINDINGS**
- IV. SUMMARY OF WHAT WE PROPOSE**



**DEWOLFF, BOBERG & ASSOCIATES, INC.**

*Resources to management for improving performance*

P.O. Box 21989 • Charleston, South Carolina 29413-1989 • (800) 800-6030

Mr. Edward A. English  
Senior Director - Interconnection Services  
BellSouth Telecommunications  
675 West Peachtree Street  
Atlanta, GA 30375

March 13, 1997

Dear Mr. English:

Thank you for the opportunity you provided us to analyze the BellSouth LCSC operations in Atlanta, GA and Birmingham, AL. Our objective was to determine whether we could make a worthwhile application of our systems and training installations, designed to reduce costs while improving manager, supervisor and employee effectiveness.

We realize that many of the thoughts we express may have been previously considered by your management group. Your ideas, combined with ours and developed through full participation during the course of the program, will assure maximum results. We consider our ability to install our proposals, achieving predictable and measurable results, to be the most important factor in our usefulness to you.

In our presentations, we have not taken time praising the many good points we have seen, because only by facing the weaknesses, and correcting them, can valuable results be obtained. Our program will consist of working with your people to correct the weaknesses we have outlined. Naturally, our preliminary analysis can only outline areas inviting more detailed study in the application of the principles we propose.

Although we feel there will be enormous productivity and service level gains from the implementation of our management operating system and employee skills training programs, we are not able to put a financial value on them because of the lack of a historical base to measure against. We will, however, measure and track the actual levels of productivity and service to ensure that acceptable levels are achieved.

Please note that we are not attempting to put a financial value on the many collateral benefits that will come about as a result of this program, such as stronger teamwork, quality and service awareness, and ongoing improvements made by your people using this process.

002769

Mr English  
March 13, 1997

The total cost for the development, training and installation of this program is Seven Hundred Ninety Two Thousand Dollars (\$792,000). We anticipate spending 22 consecutive calendar weeks on your premises, invoicing you Thirty Six Thousand Dollars (\$36,000) per week. All invoices are payable weekly as invoiced. You may discontinue this program at any point and will only be charged for time spent to date.

In the eighteenth week of our program, we will be prepared to discuss the need for transition with our Continuous Improvement Services Group. The purpose of this service is to provide a limited, on-going, follow-up with your people to ensure that the performance improvements are maximized and do not deteriorate over time. The extent and cost for this optional service will be determined at this time.

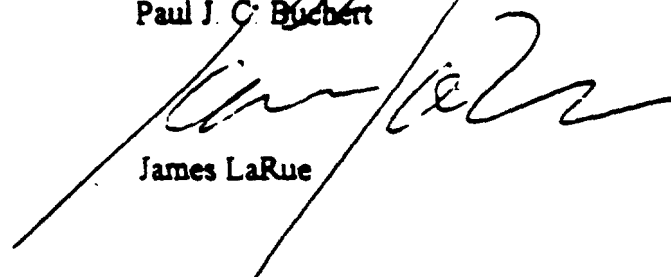
So that we may use staff members already familiar with your operations and this proposal, we would appreciate your authorization to proceed today. If we are able to start this program on Monday, March 17, 1997, we would plan on using the chief and selected staff from our analysis to provide continuity. We look forward to working with you and your people, and are convinced you will find it a rewarding experience.

Sincerely yours,

DEWOLFF, BOBERG & ASSOCIATES, INC.



Paul J. C. Buchert



James LaRue

002770

## **SUMMARY OF ANALYSIS FINDINGS**

### **OVERVIEW**

This analysis was conducted for the LCSC operations in both Atlanta and Birmingham from March 3, 1997 to March 13, 1997. The purpose was to identify and quantify any opportunities that might exist to improve the operations as your volume and manpower ramps up to meet the forecasted volume. Our purpose was also to develop an approach that addressed these opportunities which was consistent with your vision for the LCSC operation at BellSouth.

We worked with managers and supervisors in their area. The receptivity of your management group and employees was excellent as they shared with us their process flow problems, training deficiencies and frustrations. We conducted behavioral analyses to determine how supervisors utilized their time, supported their people, and we identified the consequences of their management style. We performed a diagnostic assessment of your management organization to determine their attitudes concerning the roles and responsibilities of effective supervision. Our evaluation of your management operating systems was conducted by first determining the effectiveness of the system elements that exist, and second, by evaluating how well they are being utilized by management to crew the operation and resolve operating problems. We determined the current level of labor productivity and the root causes of many problems which diminish productivity. Employee skills analyses were conducted to identify training needs, the degree of flexibility, and management participation in organizational development. We also studied your employee training process by reviewing the systems and training techniques currently in use. We conducted detailed process mapping of two major products, on unbundled and a complicated resale order. This analysis of sample work processes defined the predictability of process compliance, procedures, practices, and the impact these have on productivity, service lead times and quality.



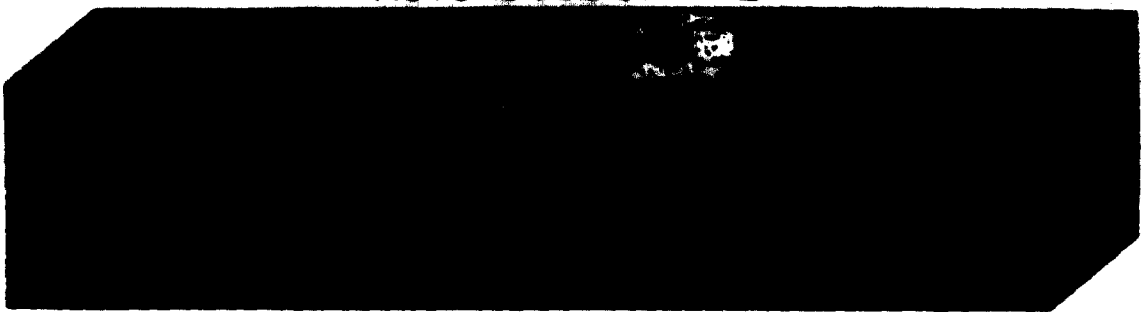
- 1 We conducted behavioral studies with all of your supervisors, spending a day working with them in their department. We concluded that supervisors spend very little time guiding, coaching, or training their people. They also have very limited control over the work flows and processes. We determined that most of their contact with their people was initiated by the employees and was generally spent in a reactive "fire fighting" mode. We did not observe any supervisor spending time training their employees or recognizing a job well done. We noted a direct correlation between the passive behaviors of the supervisors and the attitudes which we determined through our diagnostic questionnaire. The majority of their time is spent on administrative activities, from which we saw little added value, or was idle / available.
2. Our diagnostic assessment indicates that your supervisory level has a poor understanding of the concepts of proactive supervision, organizational development, and systems utilization. We believe this passive management style is a result of a lack of an effective management operating system in LCSC which would support their efforts to resolve operating problems and address training needs. We also noted the absence of management training programs which provide them with the skill sets necessary to function effectively in a start up operation such as LCSC.
- 3 Your LCSC management systems contain fragments of most of the basic elements required to control an order entry operation. However, although many of the elements exist, they will require significant upgrades to make them effective management tools. Those elements which could be effective such as assignment controls are not being used by management to identify root causes of productivity, quality and service problems. There are significant opportunities to improve the utilization of your systems by training management on how to identify process breakdowns, causes of rework, training needs and to provide employee feedback.

- 4 The productivity studies which were conducted with your service representatives indicate that there was a significant opportunity to improve your effective use of labor. This level of ineffective utilization is a result of unclear expectations, employee skills deficiencies, the lack of process documentation and control over the work flow. These problems are unnecessarily inflating your operating cost and limiting your ability to deliver a consistently high level of customer service. Excessive errors and rework are lowering the quality of your service due to missed dates and excessive lead times. The root causes of these problems continue without supervision identifying the problems or developing corrective action strategies.
- 5 Your employees are not effectively trained to maximize their skills and productivity. These training deficiencies are having a negative impact on both service and quality. We noted that employees must rely upon fellow employees to resolve training needs without the direction nor participation of the supervisors. This is limiting productivity as employees are constantly interrupting fellow workers to get help and direction. Many of your key jobs have insufficiently trained people to assure that employees can be assigned to meet volume requirements. This situation is especially acute as you look forward toward your anticipated ramp up of operations at the LCSC. The lack of supervisory participation is reflected in their poor attitude toward the subscale of employee development as noted in our diagnostics.
- 6 Our evaluation of your basic work processes in both resale and unbundled, indicated they lack process documentation, compliance, and the accuracy to provide a predictable, high quality output. We repeatedly observed employee skills deficiency and errors which is negatively impacting both productivity and quality. Your current level of quality is unnecessarily low. Due to numerous operating problems, training deficiencies and process non-compliance, this level of quality is inflating your operating costs per order, and contributing to delays in customer service. The current level of errors is alarming due to the low volume level and the fact that current employees whom we studied have been on their current jobs from four months to a year. These quality problems and errors are recurring several times per day without supervisory awareness or corrective action.

**BELLSOUTH LCSC**  
**ATLANTA - BIRMINGHAM**  
**SUPERVISORY USE OF TIME**

COLOR	DESCRIPTION
	SUPERVISING
	PROBLEM SOLVING
	ADMINISTRATIVE
	EMPLOYEE WORK
	IDLE / AVAILABLE

**ACTUAL USE OF TIME**



**PERCEIVED ACTUAL USE OF TIME**



**PERCEIVED IDEAL USE OF TIME**



## SPECIFIC POINTS

1 Supervisors do not use their time to direct, coach or train their people. Their basic management style is passive or reactionary and they tend to deal only with the symptoms of recurring problems. When an employee does bring problems to their attention, supervisors often simply take the problem over upon themselves to solve and do not train. Our observation of supervisory behavior identified the following results.

- Only 12% of their available time is spent in any type of supervisory interaction with their people. The range of time spent in supervisory interaction with their people was from 2 to 22%. The time that we did observe supervising was typically a reassignment of one person's work to a fellow employee, due to training deficiencies, given to an employee without communicating any performance expectations. We did not see any supervisor actively train an employee, this corresponds to their attitude that they did not feel responsible for the development of their people. We saw no evidence of any supervisors attempting to reinforce/acknowledge high performance or motivating their people. This passive management style often results in the employees lacking direction and clear expectations, resulting in poor productivity, quality, and excessive lead-times which negatively impacts your levels of service.

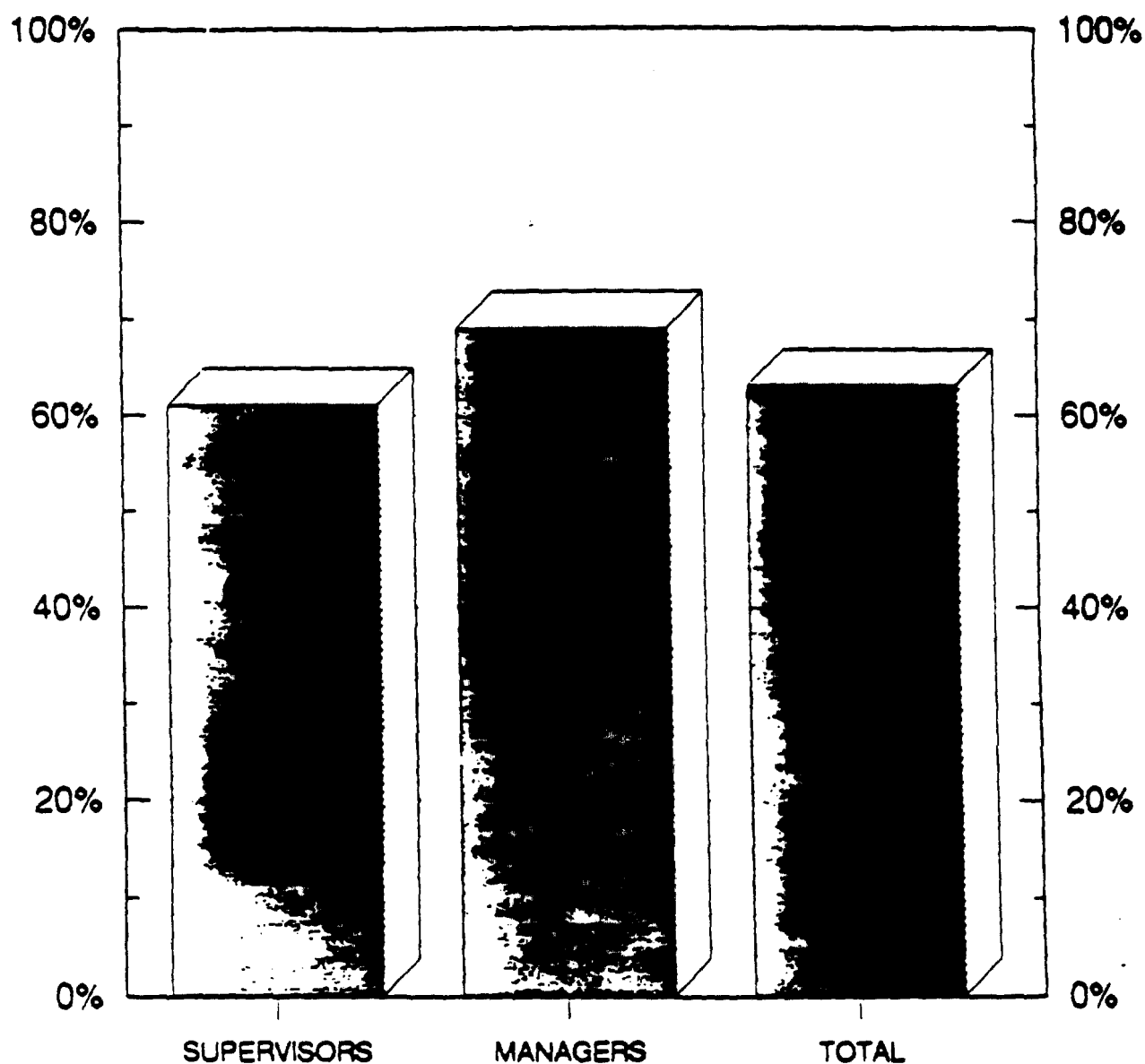
- 37% of their time is spent responding to quality/operating problems or emergencies that are usually brought to their attention by their employees. This problem solving activity was either always reactive, or responding to well established problems. We observed little time devoted to preemptive action to keep problems from occurring or recurring. This "fire fighting" technique results in an approach to problem solving where supervisors address only the symptoms of the problem. We also noted that in the BellSouth culture, the supervisors often take orders which have problems into their office and solve them. They do not train their people. As a result, your problems tend to be recurring. We noted examples where this activity consumed from 14% to 40% of a supervisors' day.

- 38% of their time is spent in administrative functions such as meetings, phone calls, reports or other paperwork which provide little or no added value. Little of this time is spent in planning or analyzing the available data which would cause them to take action. This results in continued process flow problems caused by the lack of action taken to correct the problems in work processes. Reporting variances to plan should be used as a management tool to focus resources on solving root causes of problems. This process was not evident in our supervisory studies. We noted that in the situations where the supervisors spent as little as 31% of their time in administrative activities, the amount of time spent in supervisory interaction with their people ranged from 2% to 22%. This tends to indicate an avoidance management style since even when time was available for direct supervisory interaction with their people they avoided their people.

- 13% of their time is idle or available for other more productive activities. This indicates the supervisors have the time available to take a proactive approach to managing their areas of responsibility. This excessive idle time results in lower employee productivity and quality due to the lack of direct interaction with the employees. A couple of your supervisors spent a third of their time in this activity. In these situations, the amount of time spent in a supervisory interaction with their people was still minimal. The key points are the lack of identifying recurring operating problems, the lack of control over the process flow and the lack of support to their service representatives.

- Your supervisors perceive that they currently spend 35% of their time in supervisory functions and that ideally they would like to spend 35% of their time supervising. This perception is encouraging from the standpoint that they recognize they should be spending more time directing their people, but it is discouraging when compared to their actual time spent in any supervisory function (12%). They are doing what they believe they should be doing and the real problem is the lack of clarity in roles / responsibilities, poor skill sets and unclear expectations as to what they should be doing.

**BELLSOUTH - LCSL  
ATLANTA - BIRMINGHAM  
DIAGNOSTIC ASSESSMENT OF SUPERVISORY SKILLS  
OVERALL SCORES**



PERCENT APPROPRIATE RESPONSE

002778

**BELLSOUTH - LCSC  
ATLANTA - BIRMINGHAM**

**SUPERVISORY SKILLS ASSESSMENT  
POPULATION DISTRIBUTION**

■	SATISFACTORY	70% to 100%
□	MARGINAL	60% to 69%
■	UNSATISFACTORY	0% to 59%

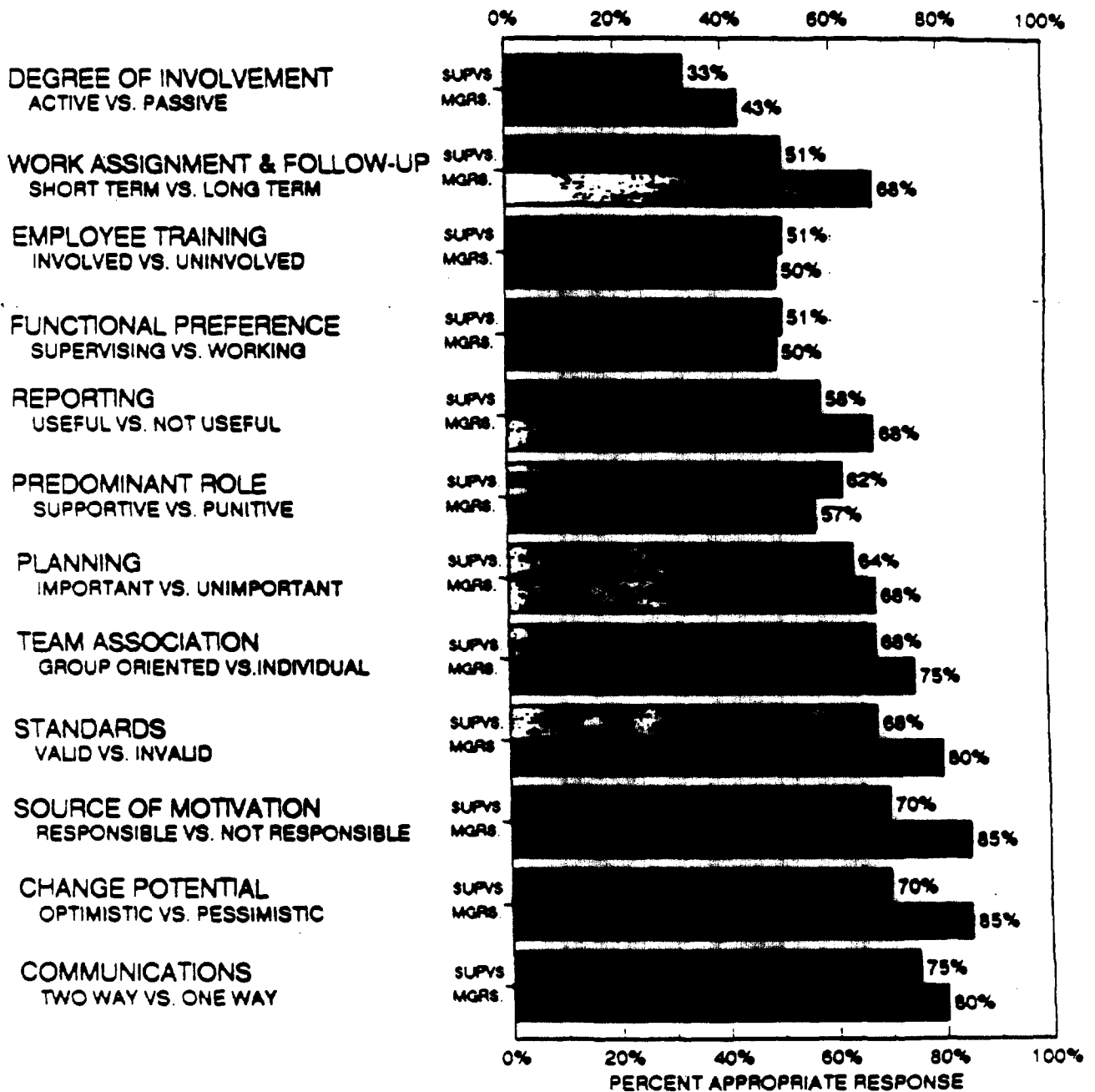


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# BELLSOUTH - LCSC ATLANTA - BIRMINGHAM SUPERVISORY SKILLS ASSESSMENT BY SUBSCALE

	<b>SATISFACTORY</b>	70% to 100%
	<b>MARGINAL</b>	60% to 69%
	<b>UNSATISFACTORY</b>	0% to 59%



2. Diagnostic assessment indicates that your supervisors have a poor understanding of the concepts of effective supervision. Their overall score of 61% is well below the 70% minimum for an acceptable level of understanding. The fact that on several subscales the managers' scores are not significantly higher than the supervisors' indicates a lack of positive role modeling. The poor attitudes in the areas of work flow control, employee development and systems is reflected in the passive management attitude we noted in our supervisory studies. Some specific areas of weakness include:

- **DEGREE OF INVOLVEMENT** - The managers' score of 43%, and the supervisors' score of 33%, indicate a very passive style of supervision with minimal involvement with their people. This correlates with the small amount of time we observed them actually spending in supervisory functions. (12%) When employees did bring problem orders to their supervisors they typically reacted by either giving the problem to another employee or by solving the problems themselves. In either situation, the employees did not receive feedback or training.

- **WORK ASSIGNMENT & FOLLOW-UP** - The supervisors' score of 51%, indicate that they generally believe in giving long term assignments with vague expectations, and providing follow-up on an infrequent basis. This attitude is consistent with the behaviors we observed in our studies, as we did not observe any of the supervisors assign work by communication expectations relative to quality or productivity. We also did not see supervision involved in systematic follow up or monitoring of work in progress. These situations do not permit the timely resolution of problems.

- EMPLOYEE TRAINING - The managers' score of 50%, and the supervisors' score of 51% indicate they do not accept the responsibility for training employees, and do not feel they need to participate in their development. They believe that employee development is some one elses' responsibility, such as BellSouth corporate staff function. They also prefer to let an employee learn from another employee, failing to recognize that the skills required to perform an activity are different from those required to teach that activity. This perception and practice results in the continuation of "bad" habits and ineffective methods, instead of properly training the employees and providing them with the support they deserve. The fact that the Managers' score is lower than the supervisors indicates that there is a lack of positive role modeling.

- FUNCTIONAL PREFERENCE - The managers' score of 50% and the supervisors' score of 51%, indicate they are more comfortable in doing the work themselves, than in directing their people. This coincides with our studies, in which observed the supervisors frequently solving problem orders by taking the order themselves to respond the problem without training their people. The fact that the managers' score is lower than the supervisors again points to the lack of proper role modeling to solve this problem of management role and responsibilities. It also indicates that the entire management structure tends to function at a level lower than their title would indicate.

REPORTING - The supervisors' score of 58%, indicate a poor understanding of the purpose of reporting in the LCSC operating system. Their perception is that reporting is an indication of a lack of trust from management rather than a means of communication. They feel the reports are of little value to them individually. This results in a lack of support and focus from management which perpetuates the operating problems evident in their areas. This poor attitude is compounded by the fact that the reporting elements of your operating systems are either weekly or monthly which does not support the timely resolution of problems. The managers' score of 68% is promising, however, the large difference in perceptions tends to indicate the lack of training by the managers of their supervisors. This highlights the need for a formal management development program.

PREDOMINATE ROLE - The managers' score of 57%, and the supervisors' score of 62% indicates that many believe their primary function is to maintain discipline in their department, and take punitive action when necessary. They do not understand that their primary function is to support their people and provide positive feedback whenever possible. This lack of support diminishes productivity, quality and order turn around time. It also will generally lower morale of the employees and complicate your efforts to build an effective LCSC operation. This is the last subscale in which the managers did not score higher than the supervisors and reinforces the point again about the lack of positive role modeling.

- STANDARDS - The fact that both levels scored well in this subscale is encouraging from the standpoint that their attitudes are that effective measurement tools could be used to monitor and control the work processes. Unfortunately, standards do not exist in your current LCSC system, whoever, if they are developed with your people, their attitude would indicate that they are receptive to using work measurements to identify and respond problems.

- In the subscales that measure SOURCE OF MOTIVATION, CHANGE POTENTIAL and COMMUNICATIONS, both levels demonstrated relatively positive attitudes. We will build on these areas of strength to facilitate the specific training needed in the areas of work assignment, follow up, active supervision, clarification of roles / responsibilities and organizational development.

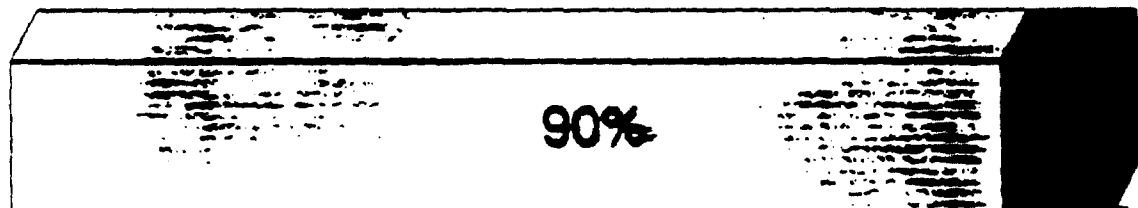
# BELLSOUTH - LCSC

## MANAGEMENT OPERATING SYSTEM EVALUATION

☒ ELEMENT EXISTS
 ☐ EXISTS-REQUIRES UPGRADE
 ☒ DOES NOT EXIST
 ☐ POOR UTILIZATION
 ☒ IS NOT UTILIZED

SYSTEM ELEMENT	EXISTS	DESCRIPTION	UTILIZATION
VOLUME FORECAST	<input type="checkbox"/>	VOL FORECAST DOES NOT MATCH CREWING PLANS DOES NOT HAVE FEEDBACK ADJUSTMENT LOOP	<input checked="" type="checkbox"/>
PRODUCTION STANDARDS	<input checked="" type="checkbox"/>	EXISTS AS AN OVERALL EXPECTATION, DOES NOT ACCOUNT FOR MIX & UNKNOWN EFFICIENCY FACTORS	<input checked="" type="checkbox"/>
STAFFING DETERMINATION	<input type="checkbox"/>	LOGIC IS INCOMPLETE, MISSING ACTIVITIES, STANDARDS, UNREALISTIC VARIABLES AND NOT MIX SENSITIVE	<input checked="" type="checkbox"/>
SHORT RANGE PLAN	<input type="checkbox"/>	IT IS NOT TIED TO THE INPUT RATE IT IS NOT BEING USED BY THE SUPERVISORS	<input checked="" type="checkbox"/>
WORK ASSGN / FOLLOW UP	<input type="checkbox"/>	GUIDELINES EXIST FOR BOTH PRIORITY AND VGMT. EXPECTATIONS. NOT BEING USED BY SUPV.	<input checked="" type="checkbox"/>
BEST PRATICE DEFINATION	<input type="checkbox"/>	SOME EXIST AT A HIGH LEVEL, HOWEVER DETAILED PROCESS DEFINATION DOES NOT EXIST	<input checked="" type="checkbox"/>
BACKLOG CONTROLS	<input checked="" type="checkbox"/>	EXISTS BUT THEY ARE NOT BEING USED PROPERLY BY ALL SUPERVISORS. DOES NOT FEED THE FORECAST	<input checked="" type="checkbox"/>
PERFORMANCE REPORTING	<input checked="" type="checkbox"/>	SOME VOLUME TRACKING EXIST. THERE IS NO PRODUCTIVITY MEASUREMENTS	<input checked="" type="checkbox"/>
QUALITY /SERVICE CONTROLS	<input checked="" type="checkbox"/>	QUAL CONT ARE BEING DESIGNED - NOT IMPLEMENTED TRACKING OF SERVICE DATES, SERVICE FEEDBACK EXISTS NOT INSTALLED - WAITING FOR AUTOMATION	<input checked="" type="checkbox"/>
EMPL. SKILL DEVELOPMENT	<input checked="" type="checkbox"/>	BASIC FLEX TOOL EXIST. IT LACKS SPECIFICITY AND BENCHMARKS. LACKS SUPV INVOLVMENT	<input checked="" type="checkbox"/>

### SUMMARY OF ELEMENT EXISTANCE



### SUMMARY OF ELEMENT UTILIZATION



3 Although you generate considerable data, this information will have to be upgraded to become more effective and it is not currently being used to get back to the employees who are creating productivity and quality problems. Although the production management system elements exist, 90% will require upgrades and 10% do not exist and must be developed. Poor compliance and utilization of the elements which exist have minimized management systems as a useful tool to identify problems and to control labor costs. None of the existing elements are being used effectively, while only 40% of the elements are being marginally used and 60% are not being used at all.

- Your current volume forecast has obvious weaknesses. Your current forecast is not build upon activity based work content. The base data does not account for work content by product mix. Also, the current forecasting techniques do not recognize the variances between resale orders. We noted logic problems and base parameters which can not be verified. The fact that you have no historical information limits the accuracy of the current forecast. Although that situation is unavoidable, your systems lack a feedback mechanism that tracks actual order input so that the current forecast can be continually upgraded based upon actual input trends.
- You lack activity based standards which could be used in the forecasting, planning and work assignment. Currently you only have general average times to process an order which does not account for product mix between unbundled and resale nor the degree of complication within the resale product group. You lack objective information that could be used as base data to be used to develop a creditable work volume forecast. Without this information it is impossible to effectively plan or assign work to balance the workload between employees. You can not therefore evaluate performance by individual or work group. As a result, supervision can not identify training needs and take corrective action. Problems tend to continue for extended periods of time which inflates your operating cost and limits customer service.

- System elements such as staffing determination exists however, without activity based work standards you can not determine the actual number of people you will need to process a given volume of work. Without this key element of an operating system, crewing decisions are currently be made based upon faulty conclusions and inaccurate information. As a result you are planning an excessive number of employees to handle forecasted volumes which increases your operating labor cost.
- Your current systems contain elements which could be used for short range planning and backlog controls. Your short range plan does not use activity based standards to determine work planning. These elements are not being used by most supervisors and are not effective. Backlog controls exist but have the same problem as they are not based upon realistic work standards. Neither the planning elements nor the backlog controls are tied to the forecast. As a result you have no way to monitor actual work input on a continuous basis so that the forecast can be upgraded. The lack of short range planning tools restrict the supervisors ability to control work backlogs and sequence work assignments.
- Although you have daily assignments sheets, they are not being used by supervisors to assign and follow up on work in progress. You lack a systematic approach to follow up on work assignments. You do not have elements that require supervisors to objectively review work assignments compared to standards to actual work completed. As a result, your supervisors cannot identify operating problems that are causing productivity, quality and service problems on a timely basis.



- Your best practice definition exists only as a macro level. You lack detailed documentation of your key processes by step in sufficient detail that they can be used as a training tool. Without this level of documentation, employees who have questions must interrupt fellow workers who might have an opinion on how to process the order. This situation not only lowers labor productivity, it also has a negative effect on quality on various methods and techniques are used to process the same type of order. You lack standardization to your processes that insure a constant level of quality.
- You do not have individual and departmental productivity measurements. This inability to determine accurate productivity levels restricts the identification of operating problems and perpetuates lost time.
- Currently both quality and service measure are being developed but have not been installed. As we have noted in other system elements which do exist, the challenge you face is not the design of these management tools, it the implementation and use of the tools by supervision. You lack an installation process that insures that supervisors are trained in the preparation and use of system elements. You must also spend time on the floor to insure that supervision understands how to use the tools to identify quality and service problems on a timely basis to identify training problems.
- Employee skills flexibility charts exist in some of the areas, however, they are not being actively used by supervisors to identify training needs so that they can be addressed. Also you lack benchmarking that can be used to quantify training needs. For additional information on this key area of your business, please see the employee skills section of this summary.